

Commerce/CSI GATS Conference
“Services Liberalization in the Doha Round: US Industry Priorities”

January 12, 2005

Opening Remarks

Al Frink, Assistant Secretary for Manufacturing and Services
US Department of Commerce

[Speech available elsewhere on website]

State of Play in the Doha Round

Christine Bliss, USTR

2005 will be an active calendar year in trade negotiations. In February, the Davos meeting and trade negotiations will be held. In late spring or June, stocktaking will take place for the Doha round then the Hong Kong ministerial in December. APEC and OECD meetings will also take place.

The deadline for revised services offers is May 2005. Many Members believe that refining requests that have been received could develop into a mega cluster in February, that would permit a better sense of what market access commitments developed and developing countries are seeking. Developed and developing countries are drafting statements of their priorities in the market access negotiations. U.S. is also refining its priorities with other countries for the February meetings.

This year is an important stage for the services negotiations. The Director General of the WTO sees a need for greater level of political involvement of WTO Members. For the WTO July package, there has been an improved participation of countries in the negotiations. It is recognized that it is important to achieve balanced results and to finalize as much as possible in services before the August recess.

Services negotiations are important in the July package. Services, along with agriculture and NAMA, remain key market access pillars. There is currently an intensive effort among WTO Members, with private sector support, to improve services offers. There will also be emphasis on scheduling classification issues. After the July meetings, there will be an effort to further define the process going forward, for example smaller groups within a core group will meet in conjunction with mini-ministerials.

Service Industry Priorities in the Doha Round

Robert Vastine, President, Coalition of Service Industries

Purpose of conference is to inform US negotiators of our needs, priorities, and objectives, in priority countries for each services sector. Providing advice to U.S. government

officials, however, is only part of our purpose, it is also to generate political resolve to produce meaningful and liberalizing commitments. The private sector must work in U.S. and foreign capitals. We need to show that liberalization is good for all countries.

Many people oppose trade liberalization; also many countries have strong constituencies that do not want trade liberalization. We need to carry the case to reluctant countries that they will benefit from reducing their market barriers. We will assist negotiators in dealing with problems that arise in talks with other countries. Our objectives, goals, and the benefits of liberalization will be presented to all Members of the WTO.

We do not need to advocate the benefits of trade liberalization at all meetings, such as clusters and ministerials. We should use other meetings and trade negotiations to advocate the benefits of trade liberalization, such as APEC and OECD, and meet with other businesses and people in other capitals. The services sector is determined to do all it can to help liberalization of trade in services.

Transparency Disciplines in the WTO

Michael Gadbow, V.P. and Senior Council for International Law and Policy, GE

WTO members have a chance to put transparency along side Most Favored Nation and market access principles of trade. The negotiations provide an opportunity to make progress in the fight against corruption.

The lessons for establishing rules for transparency are: 1) governments are reluctant to directly fight corruption, they need help in adopting best practices; 2) countries must see the benefit of the rules; 3) focusing on tools and disciplines are needed to get public access and participation.

Ekrem Sarper, Program Manager Transparency, Coalition of Service Industries

The best tools against corruption are to improve transparency and accountability of laws and regulations. Transparency allows businesses to have a more predictable investment environments and reduces discretionary or arbitrary implementation of regulations.

The goal of the Coalition of Service Industries is to develop a regulatory transparency web portal & a tool kit that serves as a major trade capacity building tool for businesses wanting to invest in foreign markets and for the government in bilateral and multilateral negotiations.

Greater openness enhances the appeal of markets to foreign investors. The tool kit provides information on how countries are performing and demonstrates best practices among select standards of various countries.

Temporary Entry in Trade Negotiations

Theresa Brown, Director of Immigration Policy, US Chamber of Commerce

Immigration, temporary entry, and trade issues are all connected. U.S. has negotiated temporary entry issues in many agreements, including the Uruguay Round, NAFTA, and the Chile and Singapore Free Trade Agreements.

In the Doha round, several countries have stated that they want liberalized commitment in temporary entry. However, the U.S. Congress has said that it will not consider temporary entry issues in trade agreements.

We have several options: 1) a new trade in services visa category which is not likely to be accepted by Congress; 2) we can separate process delays from substance of temp entry laws, since it is in within the executive branch's authority; 3) a multilateral solution, which would be preferable.

To improve the U.S. offer in temporary entry requires that we need to start working with Congress. We need to frame the issues in terms of how it would be a plus for the United States. We need to emphasize the link between services trade and immigration, and build the case that an agreement lacking a temporary entry chapter is not an economically viable option.

The GATS and Sub-Federal Regulation

Richard Self, Principal Associate – International Trade Policy, Nathan Associates

Foreign governments and companies are frustrated with market access to the American states. In the U.S. federal structure, the individual states regulate professional activities. States regulate insurance, banking, professions, real estate, education, and some energy and environmental services.

The federal government, when negotiating a trade agreement, must consider constitutional constraints and state interests. Notably, states are interested in trade issues, and often more practical in approach to problems than the federal government.

The long-term solution will be a mutual recognition of qualifications, and the adoption of international standards. Harmonization of regulatory activity would be beneficial.

To promote further our efforts at the sub-federal level, a point of contact in the federal government, which can take time to talk with state regulators, is essential.